
Report to: **Scrutiny Committee**

Date of Meeting: **24 August 2017**

Subject: **Strategy & Regeneration Update**

Report by: **Head of Housing & Community Safety**

1.0 Purpose

1.1. To provide an update on the affordable housing programme.

2.0 Recommendations

2.1. It is recommended that the Committee

2.1.1. Notes the progress of the affordable housing programme and end of year spend.

2.1.2. Notes the remainder of the report, commenting and challenging as appropriate.

3.0 Affordable housing budget 2016/17.

3.1. The financial year saw 84 units added to the social housing stock, including 61 new build. This is the most new builds since 2011 (64) and the largest addition of properties to the social housing stock for over 20 years¹.

Number	Address	Completion Date
21	James Pollock Court, Tillicoultry (Council)	May 2016
19	Fairfield School Court, Sauchie (Council)	August 2016
19	Off the shelf purchases (Council / Ochil View)	March 2017
21	Tullibody (Kingdom HA)	March 2017
4	The Nethergate, Alva (refurbishment)	March 2017
84		

3.2. The total grant claimed at 31 March 2017 was £3,666,200, which exceeded the resource planning assumption of £3,654,000. This is £1.4M more than 2015/16. Spend for 2016/17 is fully broken down below.

¹ <http://www.gov.scot/Topics/Statistics/Browse/Housing-Regeneration/HSfS/NewBuildSocSec>

2016-17		Allocation £3,654,000		
Project	Units	Site Start	Completion	Spend
Kingdom HA Primrose Place	16	May-16	May-17	£902,000
Council OTS	10	July-16	March-17	£410,000
Ochil View OTS	9	Sept-16	March-17	£315,000
Kingdom Delph Road Phase 2	31	Mar-17	June 2018	£305,000
45-51 Nethergate (Council refurb)	4	Feb-17	March-17	£37,200
Kingdom Tullibody	21	Nov 16	March 17	£1,697,000
				£3,666,200

4.0 Future Housing Program

- 4.1. The resource planning assumptions for Clackmannanshire for this year, 2017/18, is £3,888.000.
- 4.2. A 3 year spending profile from 2018/19 to 2020/21 has been announced to give more certainty when planning for the future. The resource planning figures have increased substantially and will support the level of new house building the Scottish Government requires to meet their ambitious target of delivering 50,000 affordable homes in Scotland by March 2021. From 2018-2021 Clackmannanshire will have £16.94M, an average of £5.65M / year. The three year programme commitment is also a big step forward.
- 4.3. In addition to increased budget, the RSL social rent level subsidy has risen from £58k per unit to £70k per unit. Councils are able to claim £57k per unit, up from £46k.
- 4.4. Revised SHIP guidance has recently been issued and the Scottish Government will require an updated document in October 2017. This will be submitted for committee approval prior to submission to the Scottish Government.
- 4.5. The tables below show the anticipated projects and spend for the four year period 2017/18 to 2020/21. These figures are indicative and are subject to change as development goes forward. The Council, RSLs and the Scottish Government work closely to continually review and monitor the progress of the development programme.
- 4.6. The spend shown over-commits to take account of possible slippage.

2017-18				RPA £3,888,000	
Project	Units	Site Start	Completion	Est Spend	
Kingdom Delph Road, Ph2	31	March 17	June 18	£1,882,000	
Ochil View Todds Yard, Phase 2	11	March 18	2018/19	£124,076	
Kingdom, Harbour View, Alloa	28	September 17	2018/19	£659,924	
Pension Fund, Clackmannan	35	August 17	2019/20	£1,382,000	
Council off the shelf purchases	4	April 17	March 18	£140,000	
				£4,188,000	

2018-19				RPA £5,074,000	
Project	Units	Site Start	Completion	Est Spend	
Paragon Lock-up sites	12	2018/19	2019/20	£948,000	
Kingdom Park Street, Tillicoultry.	8	2018/19	2019/20	£200,000	
Kingdom – Harbour View, Alloa	28	Sept 2017	208/19	£1,526,750	
OVHA Todds Yard, Phase 2	11	March 18	2018/19	£800,000	
Kingdom, Lochies Road, Clackmannan	6	18/19	19/20	£280,000	
Kingdom Primrose St, Phase 1	25	2018/19	2020/21	£500,000	
Kingdom Lock-up sites	30	2018/19	2020/21	£200,000	
Council off the shelf purchases	20	April 2018	March 2019	£700,000	
Kingdom – Landbank. Tillicoultry	74			£490,000	
				Total	£5,644,750

2019-20				RPA
				£5,741,000
Project	Units	Site Start	Completion	Est Spend
Kingdom Park Street, Tillicoultry	8	2018/19	2019/20	£422,000
Kingdom Primrose St, Phase 1	25	2018/19	2020/21	£950,000
Kingdom Lock-up sites	30	2018/19	2020/21	£1,140,000
Kingdom Lochies Road, Clackmannan	6	2019/20	2020/21	£188,000
Kingdom / Ochil View Elm Grove Phase 1	26	2019/20	2020/21	£1,400,000
Kingdom, HRA land for regeneration	7	2019/20	2020/21	£546,000
Kingdom / Ochil View Elm Grove Phase 2A	15 (MMR)	2019/20	2020/21	£320,000
Kingdom / Ochil View Elm Grove Phase 2B	19 (LCHO)	2019/20	2020/21	£494,000
Kingdom Lower Mill St, Phase1	35	2019/20	2020/21	£1,016,000
Council off the shelf purchases	20	April 2019	March 2020	£700,000
				£7,176,000

2020-21				RPA
				£6,125,000
Project	Units	Site Start	Completion	Est Spend
Kingdom Primrose St, Phase 1	25	2018/19	2020/21	£800,000
Kingdom Primrose St, Phase 2	25	2020/21	2021/22	£950,000
Kingdom Lock-up sites	30	2018/19	2020/21	£1,000,000
Ochil View Elm Grove Phase 1	22	2019/20	2020/21	£628,000
Kingdom / Ochil View Elm Grove Phase 2A	15 (MMR)	2019/20	2020/21	£370,000
HRA land for regeneration Phase 1	29	2020/21	2022/23	£1,125,757
Kingdom Lower Mill St, Phase1	35	2019/20	2020/21	£1,482,243

Kingdom Lower Mill St, Phase2	35	2020/21	2021/22	£600,000
Council off the shelf purchases	20	April 2020	March 2021	£700,000
				£7,656,000

- 4.7. It should be noted that the most recent Budget paper approved only the 2018-19 off the shelf Capital Budget with nothing beyond that. The funding requirements for future years will be dealt with in the housing revenue account (HRA) financial plan to be presented later this year. The 2018-19 budget includes £828k carried forward for new build at The Orchard, Tullibody. Given it is likely that land will be required by the Education service, this is no longer shown in the development proposals set out above. These funds will potentially be available to support the off shelf programme and this will be addressed in the HRA financial business plan.
- 4.8. Preliminary investigations are underway to explore the feasibility of regeneration of some council areas where housing stock does not meet modern standards. This would see the replacement of up to 200 units, and to be funded from the affordable housing budget. Any such proposals will be subject to full consultation with elected members and local residents.

5.0 Projects Updates

5.1. Tigh Grian, Alva. (48 units, RSL social rent)

This is a joint Registered Social Landlord (RSL) project with Link and Paragon Housing Associations. The developer is a private company called "Tigh Grian", and on completion the finished units will be acquired by the RSLs. The Council has 100% nomination rights.

Various contractual and technical issues delayed the site start and completion. Whilst provisional offers to nominees were made in January 2017 technical issues emerged that prevented handover. Nominees have been kept updated on the delays and all but one has chosen to wait for the completion. Handover is now expected by the end of August

5.2. The Glen, Coalsnaughton, phase 2 (14 units; private, mid market rent).

The project by Haddon Construction, supported by the National Housing Trust (NHT) is on site with a completion expected early August.

5.3. Primrose Place, Alloa. (16 flats; RSL, mid market rent, general needs)

The units were completed and occupied in May 2017. This was the first mid-market rent development completed by Kingdom HA in Alloa. The project has also made a contribution to town centre regeneration, developing a brownfield site.

5.4. Primrose Street, Alloa. (up to 60 units, RSL, social rent, mixed needs)

This site will be phase 2 & 3 of the Alloa town centre redevelopment. Feasibility work is currently underway to determine the numbers, mix, and client group.

- 5.5. Delph Road, Phase 2. (31 units, RSL, social rent, mixed general / special needs)

Kingdom are currently on site with completion scheduled for June 2018. This will include 2 and 3 bed wheelchair bungalows and amenity housing.

- 5.6. Todd's Yard Phase 2, Sauchie. (8 units, RSL, social rent, tbc)

The first phase of this site was developed by Ochil View around 5 years ago. A site investigation and feasibility study is underway. No start date has been advised.

- 5.7. Lock-up sites, Sauchie. (tbc. RSL social rent)

The proposals is that Paragon HA should develop in-fill lock up sites in the areas where they have housing stock. The feasibility study has not yet been instructed.

- 5.8. Harbour View, Alloa (28 units, RSL, social rent, general needs)

Kingdom are to acquire 28 new build properties from the developer, Lochay Homes, early in 2018/19.

- 5.9. Falkirk Pension Fund, Burnside, Clackmannan (35 units, RSL, social rent, general needs)

The development is due to start on site in August 2017. Phase 1 is due for completion July 2018 and phase 2 in February 2019.

- 5.10. Park Street, Tillicoultry. (c8 units, RSL, social rent, general / special needs)

Discussions are ongoing with a local solicitor to obtain the final piece of land for the site assembly. This will complement the first phase of new build, and assist with the regeneration of this part of Tillicoultry.

6.0 Sustainability Implications

- 6.1. The supply of new affordable housing helps in the Council's commitment to reduce carbon emissions from inefficient housing. The Tigh Grian project in Alva will provide 48 new homes to gold energy standards and the Council will pursue the inclusion of renewable technology in newbuild where feasible.

7.0 Resource Implications

Financial

The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate

Yes

- 7.1. Finance has been consulted and has agreed the financial implications as set out in the report.

7.2. Staffing

7.3. None

8.0 Exempt Reports

8.1. Is this report exempt? Yes (please detail the reasons for exemption below) No

9.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

The area has a positive image and attracts people and businesses	<input checked="" type="checkbox"/>
Our communities are more cohesive and inclusive	<input checked="" type="checkbox"/>
People are better skilled, trained and ready for learning and employment	<input type="checkbox"/>
Our communities are safer	<input type="checkbox"/>
Vulnerable people and families are supported	<input checked="" type="checkbox"/>
Substance misuse and its effects are reduced	<input type="checkbox"/>
Health is improving and health inequalities are reducing	<input checked="" type="checkbox"/>
The environment is protected and enhanced for all	<input type="checkbox"/>
The Council is effective, efficient and recognised for excellence	<input checked="" type="checkbox"/>

(2) **Council Policies** (Please detail)

10.0 Equalities Impact

Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations? No

11.0 Legality

11.1. It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

12.0 Appendices

12.1. none


13.0 Background Papers

Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered). No

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Kate Fleming	Senior Housing Strategy Officer	2361

Approved by

NAME	DESIGNATION	SIGNATURE
Ahsan Khan	Head of Housing	
Nikki Bridle	Deputy Chief Executive	